

News Release

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USDA ANNOUNCES 1998 SUPPORT PRICES FOR MILK AND MILK PRODUCTS

Washington, December 31, 1997 -- The U.S. Department of Agriculture's Commodity Credit Corporation (CCC) announced today that the support price for milk will be \$10.05 per hundredweight (cwt) during calendar year 1998, effective January 1, 1998. This is a reduction of \$0.15 per cwt from the current support level, and is required by the Federal Agriculture Improvement and Reform Act of 1996 (the Act). The Act authorized the Milk Price Support Program through December 31, 1999, at the following support price levels: \$10.35 per cwt during calendar year 1996, \$10.20 per cwt during calendar year 1997, \$10.05 per cwt during calendar year 1998, and \$9.90 per cwt during calendar year 1999.

This announced price is for milk with an annual average milkfat content of 3.67 percent. In order to carry out the new support level, CCC will decrease the price it pays for nonfat dry milk by 1.9 cents per pound to \$1.0280 and decrease the price for block Cheddar and barrel cheese by 1.5 cents per pound to \$1.1150 and \$1.0850 per pound, respectively. The purchase price for butter will remain at \$0.6500 per pound. The support price adjusted to a milkfat content of 3.5 percent by use of the Federal Milk Marketing Order butterfat differential formula is \$9.95 per cwt.

There are currently no uncommitted CCC inventories of butter, cheese, or nonfat dry milk. If the Government does acquire such inventories, CCC may sell any commodity owned or controlled by the Corporation at any price the Secretary determines will maximize the return to the Corporation.

Further terms and conditions for CCC purchases of dairy products will be contained in subsequent CCC announcements.

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A tabular summary of the new prices follows:

**CCC PURCHASE PRICES FOR SURPLUS DAIRY PRODUCTS
(Dollars Per Pound)**

PRODUCTS	Produced Before Jan. 1, 1998	Produced On or After Jan. 1, 1998
BUTTER, U.S. Grade A or Higher 25-kg. blocks, Salted	0.6500	0.6500
NONFAT DRY MILK (Spray), U.S. EXTRA GRADE (but not more than 3.5% moisture):		
Nonfortified (25-kg. bags) <u>1</u> /	1.0470	1.0280
Fortified (Vitamins A & D) (25-kg. bags)	1.0570	1.0380
CHEESE: Standard Moisture Basis <u>2</u> / (37.8-39.0% moisture)		
40-lb. block Cheddar U.S. Grade A or higher (but not more than 38.5% moisture)	1.1300	1.1150
500-lb. Barrel Cheese U.S. Extra Grade (but not more than 36.5% moisture)	1.1000	1.0850

1/ Nonfat dry milk in bags which are classified as "Type X" will be accepted at a discount of 0.50 cent (1/2 cent) per pound.

2/ The prices per pound for cheese which contains less than 37.8 percent moisture are contained in the Moisture Adjustment Cheese Price Chart (Form FSA-150).

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